

**United States House Committee on Agriculture, April 27, 2022**  
**Opening Statement of Tim Schellpeper, JBS USA**

**Introduction**

Good afternoon Chairman Scott, Ranking Member Thompson, and members of the committee. Thank you for having me.

My name is Tim Schellpeper. I have been part of the U.S. food and agriculture industry for more than 35 years, dating back to my first job out of college in 1987. I joined JBS in 2017, and I became CEO of JBS USA this past January.

I am a proud 4th generation farmer. My wife of 31 years and I operate the farm I grew up on, which my great-grandfather originally settled in Nebraska in 1887. Our land sits in the heart of cattle country, surrounded by farms and feedlots, many of which supply cattle to JBS. I am both a friend and customer to many of my neighbors.

**JBS USA Food Company**

JBS USA produces beef and pork, and we hold a majority interest in Pilgrim's Pride, the second largest poultry producer in the U.S. We employ more than 67,000 team members across the country and contribute millions of dollars each day to local economies through purchases of livestock, poultry, and plant supplies.

At JBS, we strive to create a better future. Our success has allowed us to strengthen many small towns and give back to our rural communities. We are investing \$100 million to support local projects through our Hometown Strong program – building new recreation centers, improving access to affordable housing, and refurbishing schools and parks.

We care about our team members and their families. We recently dedicated more than \$150 million in annualized wage increases to employees in our beef division alone. Our average beef facility wages are nearly \$24 per hour, with starting wages at or above \$20 per hour. We've increased wages by more than 40% since 2017 and, on average, our wages are 25 - 50% higher than other local businesses. We provide upfront, free community college tuition for our team members and their dependents, with a goal for our program to become the largest, privately-funded, free community college initiative in rural America.

JBS is dedicated to improving the sustainability of our operations. We've committed to achieve net-zero greenhouse gas emissions by 2040, and will invest \$1 billion to reduce emissions in our facilities. By 2030, we will invest \$100 million in on-farm research to help producers reduce their emissions. In recent months, we've contributed \$1.3 million to climate change research projects in partnership with NGOs and universities, including a \$700,000 contribution to the University of Nebraska-Lincoln to help build a new Feedlot Innovation Center.

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**Cattle Industry**

I understand that one of the topics the committee would like to address today is pricing in the cattle and beef industries. Historically, cattle were sold in lots and every animal in the lot received the same average price. To get a better return on their investments, cattlemen created alternative marketing arrangements, or 'AMAs,' with processors. AMAs allow producers to realize premium prices for their investments in genetics, animal health, management and marketing. They also help ensure a consistent supply of high-quality cattle, which results in a consistent supply of high-quality beef for consumers.

For our part, JBS purchases cattle from cattle feeders and producers of all sizes, in cash markets, auction barns, video auctions, and under AMAs. JBS is active in the cash cattle market every day, and we will compete for quality cattle in the market wherever and however producers wish to sell them.

**Inflation**

As for the prices paid by consumers, inflation is a significant concern across the entire U.S. economy. The prices for beef are no exception. It is important to note, however, that we at JBS do not control the retail prices that consumers pay for beef. We instead sell our products at wholesale prices to grocery stores, foodservice operators and other intermediaries, and those prices have decreased since last year.

Nonetheless, despite increases in the cost of labor, transportation, and materials since the beginning of the pandemic, as well as recent increases in costs, our facilities have largely returned to pre-pandemic processing levels. This has created higher returns for producers and lower wholesale beef prices, as cattle supply and processing demand come closer into balance.

**Conclusion**

JBS is committed to supporting innovation, transparency, and enhancing incentives to keep the U.S. cattle industry competitive for all participants. We will continue to invest in our people, our facilities, and our communities to help ensure a sustainable, affordable and resilient food supply.

Thank you for the opportunity to speak with you today, and I look forward to your questions.



**United States House of Representatives Committee on Agriculture hearing, April 27, 2022**  
**Short Bio of Tim Schellpeper, JBS USA, Chief Executive Officer**

Tim Schellpeper currently serves as Chief Executive Officer of JBS USA. With more than 35 years of experience in the protein industry, he has held a variety of roles ranging from plant manager to chief executive officer in the areas of sales, marketing, operations and logistics. Tim has a Bachelor of Science in Agri-Business from the University of Nebraska and a Master of Business Administration from Northwest Missouri State University. In addition to his role at JBS USA, Tim is also a fourth-generation farmer who owns and operates the same family farm he was raised on in Northeast Nebraska, originally settled by his great grandfather in 1887.

## Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)\* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture



Subcommittee: \_\_\_\_\_

Hearing Date: 04/27/2022

Hearing Title  :

"An Examination of Price Discrepancies, Transparency, and Alleged Unfair Practices in Cattle Markets"

Witness Name: Tim Schellpeper

Position/Title: Chief Executive Officer, JBS USA Food Company

Witness Type: ☐ Governmental ☒ Non-governmental

Are you representing yourself or an organization? ☐ Self ☒ Organization

If you are representing an organization, please list what entity or entities you are representing:

JBS USA Food Company

### **FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY**

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

JBS USA Food Company and its affiliates, otherwise N/A.



**Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you or the organization(s) you represent have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.**

None.

**Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you or the organization(s) you represent have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.**

None.

**Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.**

- ☒ I have attached a written statement of proposed testimony.
- ☒ I have attached my curriculum vitae or biography.

\* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(ii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.

